B. AMENDMENTS TO THE SPECIFICATION

   Please amend the paragraph on page 26, beginning on line 24, as follows:

   What-If Scenarios tool **450** is used by manager **425** to try various planning factors and explore the overall planning results without committing to the planning factors. For example, manager **425** may provide what-if request **445** to look at the department if everyone that is identified as being a high risk to leave the company was given a significant salary increase and an award of stock options. What-if ~~results~~ response **455** would be returned to manager **425** by the what-if scenario tool and display the effect on the department. The manager may determine that too much of the salary budget would be used for these individuals and not leave enough for high contributing employees that are not at risk of leaving. Scenario tool **450** can be used repeatedly to help the manager gain an understanding of the effects of certain planning decisions. If manager **425** is satisfied with the scenario results, the planning factors used to create the results can be applied to employee profiles **410**. In addition, HR personnel can share the manager's online view of such scenario results and provide guidance for refining the planning factors. If the what-if results are not acceptable by manager **425** then the planning factors used by the what-if tool can be discarded and not applied to employee profiles **410**.

   Please amend the paragraph on page 28, beginning on line 5, as follows:

Risk assessment component **480** of the People Planner System is used by manager **425** to identify employees that are at risk of leaving the organization. Manager **425** provides risk requests **475** to risk assessment component **480** identifying one or more employees from employee profile **410**. Risk assessment tool **480** assists the manager in evaluating risks concerning employees. Manager's risk responses <u>**485**</u> regarding such employees is used by the risk assessment tool to update the employee's risk planning data maintained in the employee's employee profile **410**.

Please amend the paragraph on page 29, beginning on line 18, a follows:

Stock option tool **565** is a People Planner System component to aid manager **540** in identifying employees that should receive stock options. Stock option tool **565** reads the available ~~stock option budget data~~ options **510** which includes the amount of options that are available for the manager's employees. Stock option tool **565** also reads employee profile data **512**, particularly planning factors data **516** which includes risk planning data and contribution data corresponding to the employees. This information is used by manager **540** to determine whether the employee is a high contributor to the organization with critical skills and the flight risk the employee presents to the organization. Based on this analysis, manager **540** decides whether to plan to award the employee stock options and, if so, how many options to provide and the vesting period for the options (stock input **560**). Updated stock data **570** is provided from stock option tool **565** to manager **540** in response to stock option input **560** provided by the manager. The manager

can use the updated stock data to determine whether the stock planning data should be changed.

  Please amend the paragraph on page 31, beginning on line 17, as follows:

  The next decisions deals with the amount of pay increase to plan on giving the employee. A determination is made as to whether the employee should receive a significant, or high, increase in salary (decision **635**). If the employee should receive a significant salary increase, decision **635** branches to "yes" branch **638** whereupon a flag is set in the employee's People Planner Data indicating that the employee should receive a significant salary increase (step **640**). On the other hand, if the employee should not receive a significant salary increase, decision **635** branches to "no" branch **642** whereupon another determination is made as to whether the employee should receive no increase, or perhaps a salary reduction (decision **645**). If the employee should receive no increase, or perhaps a salary reduction, decision **645** branches to "yes" branch **648** whereupon a flag is set in the employee's People Planner Data indicating that the employee should receive no increase, or perhaps a salary reduction (step **650**). <u>On the other hand, if the employee should not receive no increase, decision **645** branches to "no" branch **652** whereupon processing continues at decision **660**.</u> If neither flag is set (i.e. the significant increase or no increase flags) then the employee is planned to receive a normal salary increase.

  Please amend the paragraph on page 32, beginning on line 8, as follows:

A determination is made, based on factors such as the employee's contribution to the organization, current level, and time spent at the current level, as to whether the employee should be promoted during the next cycle of promotions (decision **660**). A higher level position often means greater potential salary and stock option awards. If the manager determines that the employee should be promoted based on various factors, decision **660** branches to "yes" branch **662** whereupon a flag is set in the employee's People Planner Data indicating that the employee should be promoted (step [[**685**]] 665). On the other hand, if the manager does not decide that the employee should be promoted, decision **660** branches to "no" branch **668** bypassing the promotion setting step.

Please amend the paragraph on page 32, beginning on line 21, as follows:

A determination is made, based on factors such as the employee's skills, experience, contribution, and risk of the employee leaving the organization, as to whether the employee should receive stock options (decision **670**). An employee with critical skills which are marketable to other competing organizations often receive stock options to provide an incentive for such employees to remain with the organization for the amount of time it takes for the options to vest. If the manager determines that the employee should receive stock options, decision **660** branches to "yes" branch [[**662**]] 672 whereupon a flag is set in the employee's People Planner Data indicating that the employee should receive stock options (step **675**). On the other hand, if the manager does not decide that

the employee should receive stock options, decision **670** branches to "no" branch **678** bypassing the stock option setting step.

Please amend the paragraph on page 33, beginning on line 8, as follows:

A determination is made as to whether there are more employees that the manager needs to evaluate (decision **680**). If there are more employees, decision **680** branches to "yes" branch [[**685**]] **682** which selects the next employee (step **685**) from department data **605** and loops back to evaluate the employee. This looping continues until all employees have been evaluated, at which time decision **680** branches to "no" branch **688** whereupon processing ends at **695**.

Please amend the paragraph on page 39, beginning on line 16, as follows:

Figure 10 is a flowchart used to analyze risk quadrants and act upon identified employees. Processing commences at **1000** whereupon the first risk quadrant (i.e. Quadrant "A") is selected (step **1010**). The selected quadrant is displayed to the manager (step **1020**, see **Figure 9**, screen **900** for an example quadrant view). The manager analyzes the risk quadrant data to determine whether changes are needed (step **1025**, see **Figure 9**, screen **990** for an example of analyzing risk quadrants). Risk quadrants can be analyzed down to viewing the group of employees that are included in a particular risk quadrant. A determination is made by the manager is changes are needed to any employees within the currently viewed risk quadrant (decision **1025**). If changes are needed, decision **1025** branches

to "yes" branch **1028** whereupon an employee in the risk quadrant is selected (step **1030**). A determination is made as to whether changes are needed to the employee's incentives (decision **1040**). If changes are needed to the selected employee's incentives, decision **1040** branches to "yes" branch **1048** whereupon the manager makes changes to the employee's planned nomination for stock options or other non-monetary award incentives designed to retain employees (step [[**1048**]] <u>**1050**</u>). If changes are not needed to the selected employee's incentives, decision **1040** branches to "no" branch **1058** bypassing changes to the employee's stock options and non-monetary awards.

Please amend the paragraph on page 46, beginning on line 15 as follows:

A further selection identifies employees identified as low contributing employees that are receiving a grant of stock options (step **1245**). Analysis of these employees may reveal an employees that do not warrant stock option grants. It may also be revealed that some employees in this group are not low contributors and have been identified as such incorrectly. The selected employees are displayed to the manager (step **1250**). The manager views the selected employees and can view detailed data regarding the employees. A determination is made as to whether an employee's data in the People Planner System needs to be changed in light of the displayed data (decision **1255**). If an employee's data needs to be changed, decision **1255** branches to "yes" branch **1258** whereupon an employee is selected and data pertaining to the employee is changed (step **1260**) and processing loops back to re-analyze the group in light of the changed data. This looping continues until no employee data needs to be

revised, at which time decision **1255** branches to "no" branch [[**1262**]] <u>1265</u>.

   Please amend the paragraph on page 47, beginning on line 5, as follows:

   Further top and bottom contributor queries can be performed to further identify anomalies with the planning factors currently in place for individual employees (step **1270**). People Planner Data pertaining to these employees can be changed as needed to better reflect the employees' contributions and rewards and compensation for such contributions (step [[**1280**]] <u>1275</u>). Compensation planning thereafter ends at **1295**.

   Please amend the paragraph on page 48, beginning on line 1, as follows:

   The employee's job title and level (i.e., "Senior Programmer") are converted to a corresponding national or geographic job title and level (i.e., "software programmer with 5 or more years of experience") using a table relating the company's job titles and levels to nationally recognized titles and levels (step **1330**). The national job title and level is used to search (step **1340**) national or geographic employment data **1335** for national averages and other data about national salary ranges for the job title and level (i.e., average salary for first, second, third and fourth quartiles, etc.). Other averages are retrieved from the People Planner System for the salary data regarding the employee's job title and level within the organization (step **1350**). This data may be for the organization as a whole, the

employee's site, project, or department or combinations thereof<u>,</u>
<u>and is retrieved from Corporate Data 1345</u>.

   Please amend the paragraph on page 49, beginning on line 13,
as follows:

   Figure 14 is a flowchart showing details involved with
aggregate analysis of a department or area and comparison
against budgetary requirements. Processing commences at **1400**
whereupon various compensation counters, such as total pay
increases, total stock options, total promotions, and total
awards, are initialized to zero (step **1410**). People Planner
Data for all employees within a particular group, such as a
project or department, are selected from the People Planner Data
(step **1420**). The first employee from the selected group is
selected (step **1425**). The counters for planned pay increases,
stock options, promotions and awards are accumulated by adding
the current value of such counters to the planned pay increase,
planned stock option grant, planned promotion, and planned
awards for the currently selected employee (step **1430**). A
determination is made as to whether more employees exist in the
group to be processed (decision **1440**). If more employees exist,
decision **1440** branches to "yes" branch **1445** and the next
employee in the group is selected (step **1450**) and processing
loops back to add the selected employees compensatory
information to the running totals stored in the counters. This
looping continues until all employees in the group have been
processed and all planned pay increases, stock awards,
promotions, and awards have been totaled. When all employees
have been processed, decision **1440** branches to "no" branch **1452**
whereupon budget amounts are retrieved (step [[**1450**]] <u>**1460**</u>) from

group budget data **1455** (such as a department or project budget).
Variances between the planned salary increases, stock awards,
promotions, and awards and budgeted amounts are calculated and
displayed (step **1470**). A determination is made, based on the
displayed variances, as to whether changes are needed to
employee planning factors to rectify any variances (decision
1475). If changes are needed, decision **1475** branches to "yes"
branch **1478** which allows management or human resources personnel
to select one or more employees (step **1480**), increase or
decrease planned salary increases, stock awards, promotions, and
awards (step **1485**), and loop back to the beginning to reprocess
the group and determine any further variances and changes
needed. This looping continues until variances have been
rectified and further changes to employee data is not needed, at
which point decision **1475** branches to "no" branch **1492** and
processing ends at **1495**.

Please amend the paragraph on page 51, beginning on line 12,
as follows:

The next career goal for the selected employee is identified
(step **1540**) along with the expected amount of time planned for
the employee to achieve the next goal (step **1545**). The
employee's ultimate goal (i.e., "Chief Technical Architect,"
"Division Vice President," etc.) is identified (step **1550**) along
with the expected amount of time planned for the employee to
achieve the ultimate goal (step **1555**). A mentor, such as an
experienced employee in the organization, is identified for the
employee (step **1560**). In addition, special certification or
training planned for the employee to reach the goals is
identified (step **1570**) along with any additional comments

regarding the employee's potential <u>1575</u>. The identified information is stored in the employee's People Planner Data and used for long term management and direction of the employee.

Please amend the paragraph on page 54, beginning on line 11, as follows:

Figure 17b is a flowchart used to evaluate and aware employees managed in a matrix organization with multiple managers. Processing commences at **1750** whereupon the first manager evaluates the employee and provides salary increase, stock award, award, and evaluation ratings for the employee. The manager's evaluation is multiplied (step **1760**) by a multiplier corresponding to the amount of work the employee performs for the manager (i.e. the work percentage discussed in **Figure 17a**). Likewise, the manager's planning of the employee's pay increase is computed (step **1765**), along with a stock award computation (step **1770**), and an awards computation (step **1775**). A determination is made as to whether additional managers need to evaluate the employee (decision **1780**). If additional managers need to evaluate the employee, decision **1780** branches to "yes" branch **1782** whereupon the next manager evaluates the employee (step **1785**) and processing loops back to multiply the next manager's evaluations and preplanning data with the multiplier corresponding to the manager. When all managers that manage the employee have performed evaluations, decision **1780** branches to "no" branch **1788** whereupon the employees total evaluation, salary increase, stock award, and other awards is computed by adding the various factors computed for each manager (step **1790**). The People Planner System can also facilitate communication between managers that each manage a given employee

so that a fair assessment of the employee's contributions can be made in light of the employee's efforts and complexity involved in working in multiple areas. Processing ends at **1795.**